

Phrases with underlining cross-reference other entries in the glossary. A bibliography for further reading follows on the final page.

Assets

Financial representation of economic resources owned by an organization or individual.

Balance

A fund's excess of assets over liabilities. Portions of the fund balance may be restricted, reserved, or designated.

Bond

A written promise of the issuer to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date, together with periodic interest at a specified rate.

Capital Projects Fund

A fund created for all resources used for the construction or acquisition of designated fixed assets by a governmental unit except those financed by special assessment, proprietary, or fiduciary funds.

Debt

An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governmental units include bonds, time warrants, notes, and floating debt.

Debt Service Fund

A fund established to account for the accumulation of resources for, and the payment of, general obligation long-term debt principal and interest.

Designated Balance

The portion of a fund balance that is tentatively set aside for use in the future.

Direct Net Debt

Gross debt incurred directly in the name of the specific governmental unit, less debt fully supported from enterprise fund revenues (revenue debt), and short-term debt.

Enterprise Fund

A fund established to finance and account for the acquisition, operation, and maintenance of governmental facilities and services that are entirely or predominantly self-supported by user charges; or where the governing body of the governmental unit has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate. Government-owned utilities (e.g., water, sewer, electricity) and hospitals are ordinarily accounted for by enterprise funds.

Fiduciary Fund

Any fund held by a governmental unit in a fiduciary capacity, ordinarily as agent or trustee.

Flows

Processes occurring continuously through time, measured in units per time period. (Contrast with stocks.)

Fund

A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities, and residual equities or balances, and charges therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance

The excess of assets of a fund over its liabilities.

General Fund

A fund used to account for all transactions of a governmental unit that are not accounted for in another fund. The General Fund is used to account for the ordinary operations of a governmental unit that are financed from taxes and other general revenues.

General Obligation Bond

Bonds for whose payment the full faith and credit of the issuing body are pledged. More commonly, but not necessarily, general obligation bonds are considered to be those payable from taxes and other general revenues. In some states these bonds are called Tax Supported Bonds.

Governmental Fund

A generic classification that refers to all funds other than proprietary and fiduciary funds. Governmental fund-types includes the General Fund, special revenue funds, capital projects funds, debt service funds, and special assessment funds.

Internal Service Fund

A fund established to finance and account for services and commodities furnished by a designated department or agency to other department and agencies within a single governmental unit, or to other governmental units.

Liabilities

Debt or other legal obligations arising out of transactions in the past that must be liquidated, renewed, or refunded at some future date.

Long-Term Debt

Debt with a maturity of more than one year after the date of issuance.

Note

A written, relatively short-term promise to repay a specified principal amount of money at a specified date in the future, together with interest at a specified rate. Municipal notes usually mature in less than five years.

Overall Net Debt

Direct net debt of the specific governmental unit plus the net debt of overlapping and underlying units of government apportioned in accordance with property valuation. Although overlapping and underlying debt is not a liability of the specific governmental unit, it is supported by the same property tax base as the debt of the specific governmental unit, and therefore is an important factor in the ability of that unit to issue additional debt.

Proprietary Fund

A fund established to account for self-sustaining or profit-oriented activities. Includes enterprise funds and internal service funds.

Reserved Balance

The portion of a fund balance that is reserved either for inventories (representing non-liquid resources) or for encumbrances, which are monies that have been appropriated for a purchase but not yet expended.

Restricted Balance

The portion of a fund balance that is legally restricted to specified uses.

Revenue Debt

Debt whose principal and interest are payable exclusively from the earnings of an enterprise fund.

Short-Term Debt

Debt with a maturity of one year or less after the date of issuance. Short-term debt typically takes the form of a note.

Special Assessment Fund

A fund established to account for the construction of improvements or provision of services that are to be paid for, wholly or in part, from special assessments levied against benefitted property.

Special Revenue Fund

A fund established to account for revenues from specific taxes or other earmarked revenue sources that by law are restricted to the financing of particular functions or activities of government.

Stocks

Accumulated quantities existing at a particular time, measured in terms of units with no time dimension. (Contrast with flows. Also note that this meaning of the term “stocks” is not to be confused with its meaning as a synonym for a company’s equity shares.)

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